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**Successor Member Interest  
Information Document Request #1  
(Notice 2007-72)**

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This Information Document Request (IDR) asks for information about your organization's involvement in a successor member interest transaction as described in Notice 2007-72. Answer the questions for each such transaction based on the tax period indicated in the letter included with this IDR. If you need additional space, attach additional sheets. Once you have responded to our request for information, follow the instructions in the accompanying letter for returning it to us.

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Name of Organization: \_\_\_\_\_  
Employer Identification Number: \_\_\_\_\_

If you did not receive or dispose of a successor member interest during the tax period indicated in the attached letter, check here  and return the Information Document Request to us.

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**PART I – INITIAL CONTACT**

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1. Did you initiate contact with a donor or prospective donor regarding a successor member interest donation?  Yes  No

If yes, provide the following information for each individual employed by or representing your organization that was responsible for the solicitation:

Name	Period of Service	Position or Role (function)	Responsibilities

2. Did the donor, the donor's representative, or someone outside your organization initiate contact regarding a successor member interest donation?  Yes  No

If yes, provide the following information:

- a. Name and address of the person(s) or firm(s) that contacted you, and how (telephone, letter, email, etc.) and when you were contacted. Submit copies of written and e-mail communications between your organization and the parties that contacted you.

- b. Did your organization or any of its officers, directors or trustees have a business, family or other personal relationship with any individual or firm listed above?  Yes  No

If yes, describe the relationship:

- c. Did any individual or firm listed above make a contribution to your organization?  Yes  No

If yes, identify the individual or firm:

- d. List the name and address, and describe the roles and responsibilities of each person within your organization that was contacted by any person or firm listed above.

- e. Is the individual(s) listed in "d" above still associated with your organization?  Yes  No

If yes, provide the individual's name and current position within your organization:

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## PART II – INFORMATION SHARING

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3. What economic and legal rights did your organization believe it would receive by accepting the successor member interest from the donor?
4. What documents and correspondence were presented to your organization in connection with the successor member interest? Please submit the documents and correspondence.

5. How were documents and correspondence shared with your organization?

- Letter    Electronically    Both    Not shared

6. Did your organization receive legal advice regarding accepting the successor member interest?

- Yes    No

If yes, describe the type and nature of the legal advice (e.g., real estate, tax-exempt status, charitable solicitation laws, unrelated business income, etc.).

7. Did your organization have any telephone calls, meetings, or other forms of communication regarding the successor member interest that you do not have documentation for?

- Yes    No

If yes, provide a description of the calls, meetings, or other communications including a list of participants.

8. Was your organization asked to agree not to sell or otherwise dispose of the successor member interest for a specified period of time?

- Yes    No

If yes, answer the following questions:

- a. What was the period of time? \_\_\_\_\_  
b. Was the request or agreement in writing? \_\_\_\_\_

- Yes    No

If yes, please provide a copy.

c. What reason(s) was given for the request or agreement not to sell the successor member interest for a specified period of time?

d. Did your organization agree to the request or agreement?

Yes  No

If yes, why?

9. Was your organization asked to agree or expected to sell or otherwise dispose of the successor member interest to the donor, a person related to or affiliated with the donor, the representative of the donor, or another specified person(s) or entity?

Yes  No

If yes, was the agreement or expectation in writing?

Yes  No

If yes, please provide a copy.

10. Did your organization know the appraised value or valuation method the donor used to figure the charitable contribution deduction of the successor member interest?

Yes  No

If yes, describe what your organization knew about the value and the valuation method.

11. Before your organization received the successor member interest, was it aware of any market for disposing of the interest?

Yes  No

If yes, provide a list of the market(s) and describe how your organization became aware of such a market.

If no, explain how you subsequently learned that there was a market for the interest.

12. Was your organization aware of any rights or options held by others to purchase the interest from your organization?  Yes  No

If yes, describe your organization's understanding of such rights or options and provide copies of any documentation or correspondence pertaining to such rights or options.

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### PART III – DECISION PROCESS

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13. Does your organization have bylaws or other guidelines for accepting unusual gifts such as successor member interests?  Yes  No

If yes, describe your organization's guidelines for accepting unusual gifts and submit the guidelines. These guidelines should indicate the date these procedures were adopted. Please advise who wrote these procedures and the officers, directors and trustees who approved them. Who is responsible for monitoring the procedures?

14. Was your organization's decision to accept the successor member interest discussed or reviewed by the Board of Directors, governing body, or by a committee established by the organization?  Yes  No

If yes, are there minutes or other documentation of the discussions, deliberations, or vote to accept or reject the contribution?  Yes  No

If yes, provide a copy of the minutes or other documentation including the names and contact

information for each person who discussed, reviewed or voted to approve the acceptance of the successor member interest.

If no, explain each person's role in accepting the successor member interest.

15. Explain your organization's reasons for accepting the successor member interest. Include the following information in your explanation:
- a. How and when the organization would derive financial benefit from the interest,
  - b. Whether the organization expected to use the interest in an activity that furthered the organization's exempt purposes or in an unrelated activity,
  - c. Whether the organization expected to realize income from the interest, and
  - d. The extent your organization understood its rights of ownership (e.g., sell or transfer the interest to a third party).

SAMPLE

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**PART IV – RECEIPT OF SUCCESSOR MEMBER INTEREST**

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Prior to submitting Form 8283 to the donee organization the donor must complete at least the name, identifying number, and description of the donated property lines on the form.

16. Did your organization receive Form 8283, *Noncash Contributions*, for each successor member interest it received?

Yes  No

If yes, when and by whom?

17. For each successor member interest your organization received, provide the following information:
- a. Date received,
  - b. Name of donor,
  - c. Description (including legal name) of the interest, and
  - d. A description of the information that was on Form 8283 when you received it.

18. Did anyone in your organization complete or sign the Part IV *Donee Acknowledgment*, of Form 8283.  Yes  No
19. If yes, was the form missing the date, identity of the donor, or description of the property?  Yes  No

20. Who in your organization completed Part IV of Form 8283 acknowledging receipt of the successor member interest?

21. What position did (or does) the above person(s) hold in your organization?

22. Please provide copies of all Forms 8283 completed by your organization regarding a successor member interest.

23. Did your organization refuse to sign any Form(s) 8283 for a successor member interest?  Yes  No

If yes, please explain why you did not sign the form.

24. Did your organization send a contemporaneous written acknowledgment to the donor of a successor member interest?  Yes  No

If yes, what is the name of the person who provided the acknowledgment and what was the person's position when the acknowledgment was sent?

25. Please provide copies of all written acknowledgments your organization issued for successor member interest donations.

26. Did your organization have an agreement with the person who transferred the successor member interest to you?  Yes  No

If yes, and the agreement is in writing, please provide a copy of the agreement.

If yes, and it is an oral agreement, describe the key terms of the agreement and include:

- a. The names of all parties to the transaction,
- b. A detailed description of the interest you received, and
- c. A description of any contributions (cash or non-cash) your organization received or may receive.

27. Describe any due diligence your organization conducted before you received the successor member interest including any assessment you made of the property or obligations against the property. Please submit your due diligence report and any accompanying exhibits or attachments.

28. Please provide copies of all documents (including exhibits) that legally transferred the successor member interest to your organization.

29. Was an appraisal of the donated property obtained by or provided to your organization at or about the time of the donation?  Yes  No

If yes, please provide a copy of such appraisal for the property that you received.

30. How did your organization report the receipt of the successor member interest on your books and on your Form 990 (if applicable) for the year in which the interest was received? In answering this question, include both the reporting of the receipt as a revenue item and as a balance sheet item.

31. Did your organization receive cash or other contributions of property as a condition to, or in

connection with, your organization's acceptance of the successor member interest?

Yes  No

If yes, describe the nature of such arrangements.

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## PART V – SALE OF SUCCESSOR MEMBER INTEREST

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Charitable organizations must report certain sales, exchanges or other dispositions of donated property on Form 8282, *Donee Information Return*, if a donor claimed a charitable contribution deduction in excess of \$5,000 and the organization sells, exchanges or otherwise disposes of the property within two years of receipt (within three years of receipt for returns filed after September 1, 2006).

32. Did your organization sell or otherwise transfer the successor member interest?

Yes  No

If yes, please provide the following information:

- a. Describe the fact and circumstances that led to your organization's decision to sell or transfer the interest,
- b. The date of the sale or transfer,
- c. The amount received from the sale or transfer,
- d. Where you reported the transaction on Form 990 (if applicable),
- e. How you determined the sales price,
- f. Whether you obtained an appraisal of the fair market value of the interest at the time of sale or transfer,
- g. Whether you listed or marketed the interest for sale with a broker, realtor, or other person,
- h. Describe the arrangement you had with the broker, realtor or other person (if applicable),
- i. Whether you had legal representation with respect to the sale or transfer, and
- j. The name and address of your counsel (if applicable).

33. Did your organization file Form 8282 and provide a copy to the donor when you disposed of the successor member interest?

Yes  No

34. If no, please explain why the form was not filed or a copy was not provided to the donor.

If yes, please provide copies of all Forms 8282 filed with respect to successor member interest dispositions.

35. If the interest was subject to a purchase option, were you aware of it?  Yes  No

If yes, describe when you became aware of it and your organization's understanding of who held the purchase option, the option price and who would realize the funds from the exercise of the option?

36. Please describe all due diligence conducted with respect to the disposition of any successor member interest. Please submit copies of any reports with all attachments that outline the due diligence you exercised.

**SAMPLE**

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**PART VI – MISCELLANEOUS**

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37. Is your organization aware of any agreements or arrangements that require any person to keep confidential the intended tax consequences of the successor member interest transaction?  Yes  No

If yes, describe the agreement(s) or arrangement(s).

38. Is your organization aware of any agreements or arrangements that  Yes  No

provided contractual protection with respect to the tax consequences or benefits to any person involved in the successor member interest transaction?

If yes, describe the agreement(s) or arrangement(s)

39. Is your organization aware of any agreements or tax indemnity arrangements with respect to the sales prices or any tax benefits that could arise from these transactions?

Yes  No

If yes, describe your organization's understanding of the agreement(s) or arrangement(s)

40. Was your organization's Form 990 reviewed by an independent accountant or by outside counsel for the year of receipt or the year of sale or other disposition of the successor member interest?

Yes  No   
Did not file Form 990

If yes, what was their opinion or advice to your organization with respect to the Form 990 reporting of the receipt and sale or disposition of the successor member interest?

41. Has your organization received or accrued after August 15, 2006, any cash or in kind contributions, sales proceeds, or other amounts in connection with any of the successor member interest transactions? If yes, please provide a list and description of such items, including the dates such amounts were received or accrued by your organization.